



**Lyon Crest<sup>sm</sup>**  
**REALTY, INC.**

### Lyon Crest Realty Group Introduction

We are a medium sized Real Estate company located in the beautiful city of San Marino. We currently have one location and we are located in an approximately 2400 sq. foot office equipped with a waiting area, 2 smaller meeting rooms, 1 large meeting room, copier / computer room, cubicles, desks, and offices. Our office includes computers, copier, fax machine, and Internet access. We also have ample parking in the rear as well as street parking out in front.

Our firm is about four years old and we currently have Real Estate agents on our team spanning all types of backgrounds. We have full time Real Estate agents and also part time Real Estate agents who in addition to practicing Real Estate, work as Lawyers, Accountants, CPAs, Teachers, Finance Managers, Researchers, Business Owners, Entrepreneurs, Consultants, Computer Programmers, and so forth. Lyon Crest Realty has about 45 agents and the number of agents is growing.

What we like to do is ask that you read the below information, and then after you have done so, then talk to us again so that we can answer any additional questions for you, clarify any information for you, and work out any future items (how to sign up to be a Lyon Crest Real Estate agent, get an office tour, meet with a Lyon Crest Realty Broker, etc.)

After having talked to and interviewed many different Real Estate agents, here are the most relevant and frequently asked questions along with our answers. A lot of times, Real Estate agents when interviewing with us are provided with so much information and facts during the interview that they feel overwhelmed because we are so up front with all the facts of our firm. By providing you with this document, you can read and re-read this information to determine the most relevant points as applicable to you (while not having to wonder if you took the appropriate notes if this were to take place in an actual interview vs. it being documented in this format). In addition, by reading this Question and Answer (Q&A) document, if there is a question that doesn't pertain to you or if you find the question to be irrelevant, then just skip to the next question.

Realize that very very few (if any) Real Estate firms will offer you this much detailed Real Estate information in a document to prospective Real Agent agents, but we do this for several reasons:

- 1.) As a courtesy to you in order to help you more quickly and efficiently decide on the type of Real Estate firm you may want to be affiliated with in the future
- 2.) We are up front with all of our firm's facts and if you join Lyon Crest Realty, we want you to do so knowing the full details



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- 3.) To show you the type of firm that we are. When getting training and working in Real Estate under the Lyon Crest Realty umbrella, you can rest assured that the time and care spent in writing this document is reflective of the type of firm this is and its internal makeup
- 4.) A Lyon Crest Realty Broker can go over all these questions and items with you in person or over the phone, but in doing so, you would have to take extensive notes and listen extremely attentively. Instead, by providing this information to you in this document format, you can instead read this at your leisure (as well as re-read any important items). Then after reading this document, you can ask even more detailed and specific questions the next time you speak to a Lyon Crest Realty Broker.

Thank You for your time and consideration.

If you have any questions or comments, please contact Lyon Crest Realty.

Lyon Crest Realty Group, Inc.

2549 Huntington Drive, Unit 102

San Marino, CA 91108

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(626) 683-8811 – Fax

[REALTOR@LYONCREST.COM](mailto:REALTOR@LYONCREST.COM) - Email

[WWW.LYONCREST.COM](http://WWW.LYONCREST.COM) - Website

[WWW.LYONCREST.COM/CAREERS](http://WWW.LYONCREST.COM/CAREERS) - For more Lyon Crest Realty career information

[WWW.MAPQUEST.COM](http://WWW.MAPQUEST.COM)® - To obtain driving directions

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**Question:** How does Lyon Crest Realty compare to the Franchise Big Name Real Estate firms? What are the differences between all the different Real Estate firms out there.

**Answer:** There are three main types of Real Estate firms.

The first type of Real Estate firm is the following -

At a Franchise Real Estate firm, as a brand new agent, your commission split as a brand new agent will normally be at 50/50 (50% of the commission going to the Agent and 50% of the commission going to the Broker). In addition to this, you will most likely pay a franchise / advertising fee (for the use of their name brand) anywhere from 5% to 8% of your commission, thus dropping your Agent side commission to maybe 42%. Most of the

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major franchise Real Estate firms are independently owned and operated, thus you will need to talk to them specifically to determine what your true commission split will be. In addition, you will be asked to attend their training classes. At these training classes, you may be asked to pay for the training (could run in the hundreds or thousands of dollars) or if the franchise Real Estate firm pays for your training classes, they may ask you to sign a contract where if you leave the firm within a specified time period, you will be asked to pay back some of the money for the training.

Or another way that they train new Real Estate agents is that they will ask another Real Estate agent in the firm to work with you and train you (but in order for this other agent to train you, they may get half of your commission for the first one to three transactions, thus if your commission is at 42%, half of that will be 21%). Some of the franchise Real Estate firms may charge their agents additional money for forms, desk fees, copier fees, etc.

Many companies also implement quotas (where you are required to meet a certain sales volume within a specified period of time), floor time, and staff meetings (thereby limiting the flexibility that most agents are looking for in pursuing a career in real estate. In addition, some companies may also ask you to pay for Errors and Omission insurance up front. There are also some firms that will charge your client administrative fees for handling the transaction.

Since most of the franchise Real Estate firms are independently owned and operated, you will need to talk to each one individually in order to get a clear picture of your commission, additional fees, and the cost (if applicable) of their training program.

The **second** type of Real Estate firm is the following -

There are some Real Estate firms that will pay you a high commission (maybe as high as 70% to 85%), but these firms will not provide you with very much training. These firms are expecting you to be trained already, thus that is why they are paying you the higher commission. With they types of firms, you will get a higher commission but it may come at the price of no training to you, little support to the agent, small office, and little to no office support. Depending on your knowledge of Real Estate and what you are looking for, this type of firm may fit some people, but if you are a newer agent, this type of firm may not be for you.

The **third** type of Real Estate firm is the following -

Lyon Crest Realty is a synergy of the above two types of Real Estate firms.

Our commission rates for brand new agents are 65/35 (65% of the commission going to the Agent and 35% of the commission going to the Lyon Crest Broker). We do not charge



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our agents for franchise fees, desk fees, forms fees, or agent training programs. We offer a full office with a full time receptionist to help with your needs. If any faxes or mail comes to you at the office, we will place it in your office mailbox or get them to you through other means. Or faxes sent to our eFax number can be forwarded to you via email.

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**Question:** If I join Lyon Crest Realty as a Real Estate agent, what type of an employment contract do I sign? If I join Lyon Crest Realty, what are my employment obligations?

**Answer:** When you join Lyon Crest Realty, you will join as an Independent Contractor. You sign a standard Independent Contractor Real Estate agent contract. You have no obligation to pay any fees to Lyon Crest Realty should you decide to leave (unless they are fees Lyon Crest has already paid for you on your behalf or fees you have already agreed to pay). You can leave the firm at any time (at which time, you give us back our office keys and we will return your Real Estate license back to you upon your departure). We will not ask you to sign any long-term employment contracts or to carry long term obligations with Lyon Crest Realty.

Realize also that it goes both ways, and Lyon Crest Realty can ask you to leave the firm at any time also due to but not limited to acts deemed detrimental to Lyon Crest Realty or acts that are in violation of Department of Real Estate (DRE) regulations or ethics.

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**Question:** How does Lyon Crest Realty train their agents? Does Lyon Crest Realty charge for training? How does the training work?

**Answer:** We train our agents with the initial essentials of Real Estate for the most part on a one on one basis. We go over the most common Real Estate forms and contracts. We also provide training materials to the agent on CD-ROM, so that the agent can train at their own pace. This Lyon Crest Realty CD-ROM will contain sample transactions, company letterhead, fax forms, sample farming letters, documentation on how to conduct Real Estate transactions, farming information, FAQs, sample property For Sale flyers, etc.

Lyon Crest Realty will train you with enough to get you up and running (how to look up property listings, how to open lockboxes, how to bring up property profiles, how to do comps, how to write Real Estate contacts, etc.). In addition, and most important, you will be able to access Lyon Crest Realty's Real Estate transaction manual (a detailed and



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comprehensive document that details the steps involved while conducting Real Estate activity). Of course, any questions or additional training is provided to you on a one on one basis as arranged through your Lyon Crest Realty Broker / Office Manager.

Lyon Crest Realty will generally wait until the Real Estate agent is pretty confident that their client is about to make an offer or list a house before we do any in depth heavy duty training with the agent on contracts – The reason for this is because Lyon Crest can train an agent all day and all night on the ins and outs of Real Estate and on how to write contracts or conduct transactions, but the problem is if you as the agent with all of this new training don't have a client who is ready to make an offer on a home or list a home for sale until two or three months later (in which case you will have forgotten everything that was taught to you two or three months ago).

In addition, when you as the Real Estate agent are actually involved in a transaction, you will be able to ask questions that make sense to you at the time and are applicable to you. The training that you receive while you yourself are conducting the Real Estate transaction will help cement into your memory the Real Estate lessons. We strive to do the training on a real time basis, thus you are provided with the Real Estate information that you need when you need it as opposed to getting immediate Real Estate training and then several months later you forget everything and need to be retrained again.

Another way to look at this - just ask yourself how many times in your work career your boss has sent you off to computer training for a week or so to learn some new software application, but then the tech/IT people can't install the software on your work computer for months due to implementation problems. Then by the time the software is finally installed on your computer (months later), you don't remember how to use the software, and your boss is asking you how come you don't know how to use the new software even though you went to training (but it was months ago). At Lyon Crest Realty, we don't want this to happen to you.

Lyon Crest Realty will outline a specific training program with you and work out the specifics of how to get help when you conduct your Real Estate activities and transactions. The training Lyon Crest provides is custom tailored to your individual and specific needs. Depending on your own personal style and preferences, Lyon Crest can provide detailed support through the entire process, or to just be there to answer questions when they should arise. Lyon Crest's training and support is continuous and never really ends since real estate is a dynamic environment. Bottom line is that Lyon Crest understands that the more confident you feel, the better you will be able to service your clients.



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**Question:** Who owns Lyon Crest Realty? Who started Lyon Crest Realty?

**Answer:** Lyon Crest Realty was started and is owned by two University of Southern California (USC) MBAs. By reading this document further and talking to us, you will get a better understanding of Lyon Crest Realty and understand how our business model blends both the traditional and new economy style of conducting a Real Estate Brokerage business, while providing maximum flexibility to the Real Estate agent.

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**Question:** How can I be assured that Lyon Crest Realty will provide me with the proper Real Estate training and support? How do I know if Lyon Crest Realty is being up front with me? How do I know if Lyon Crest Realty is going to really train me in Real Estate?

**Answer:** As the founders of Lyon Crest Realty, and then acting as the owners, brokers, and trainers, there is a vested interest to make sure that you as a new Real Estate agent will get trained, get your questions answers, and be provided with the proper Real Estate support.

For Lyon Crest Realty to succeed, you have to succeed, thus it can turn into a win-win situation. This works out to being a great incentive for Lyon Crest Realty to want to train you in Real Estate and to answer all of your Real Estate questions. The Brokers and Office Managers are devoted to supporting the agents within the Lyon Crest Family. They do not actively solicit sales to minimize any conflicts of interest and to maximize the available time and resources to providing management support.

If we as the owners, brokers, and trainers, do not train you right or if you feel that you are not getting the proper training, you will want to leave Lyon Crest Realty, and thus all the time we would have spent with you will have been for not and totally wasted. Lyon Crest Realty Brokers do not want to waste your valuable time, let alone their own time. There is a vested and mutual interest on the part of both parties (Broker and Agent) that ensures that you will get Real Estate training.

Acting as the owners, brokers, and trainers, we want to make sure that you get trained and trained right, because we like you do not want to be sued or to improperly conduct Real Estate transactions. On top of this, the only way you can protect your clients is if you write a strong contract and understand the whole Real Estate process, thus we are very insistent



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on you learning the technical aspects of Real Estate along with the soft skills (personal relationships, salesmanship skills, etc.). If you don't succeed in your dealings with your client, we don't succeed, and neither of us win or earn a commission.

Being that we are in the Internet age, the beauty of all this is that as a Realtor®, the vast majority of all property listings can be looked up via a web browser and an Internet connection. Thus there is no need to have to be inside the Lyon Crest Realty offices in order to see what properties are for sale since you will be able to conduct your property listing searches while in your home or office.

In addition to being able to look up listings online via the Internet, computer software is also now available and provided to our Lyon Crest Real Estate agents that will enable you to write contracts to purchase or list homes using your computer and a printer. Once the online contract is written, you can then email it to your Lyon Crest Broker / Office Manager and we can review it, make corrections, and then email back to you to correct and print out. Then you can email, fax, eFax, or hand-deliver the final Real Estate contract to your client for review, initialing, and signing. Thus there is no need to have to be inside the Lyon Crest Realty offices in order to sit with the Lyon Crest Realty Broker / Office Manager in order to get your Real Estate contract looked at and approved.

If you wish to write Real Estate contracts using traditional forms and documents (hand written), you can still do so if that makes you more comfortable and / or the situation requires it (you don't have access to your computer and your client wants to make an offer or list a property). It should be noted that Lyon Crest Realty has a local virtual fax number with [www.eFax.com](http://www.eFax.com)® available to our agents, thus you can convert any document into an electronic email format if you desire (for ease of transmission, record keeping, and distribution). Thus handwritten Real Estate contracts can still be forwarded to the Lyon Crest Realty Broker / Office Manager for review without you having to physically sit with the Lyon Crest Realty Broker / Office Manager in order to get your Real Estate contract looked at and approved.

Add in your personal cell phone, and you have almost a virtual Real Estate office.

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**Question:** What is the current Broker / Agent commission split at Lyon Crest Realty?

**Answer:** Our commission rates for brand new agents is 65/35 (65% of the commission going to the Lyon Crest Realty Agent and 35% of the commission going to the Lyon Crest



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Realty Broker). As your total commission dollars grow, so will your commission split. We do not charge our agents for franchise fees, desk fees, forms fees, or agent training programs.

If you are an experienced agent or Broker with documented work experience and sales transactions, we can talk further as it relates to the commission.

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**Question:** As a part of Lyon Crest Realty, aside from helping clients buy / sell properties and representing them in the transaction as their Real Estate agent, are there any other ways I can earn commissions?

**Answer:** If your client obtains their loan / funding from a Lyon Crest Group affiliated Mortgage Broker / Firm, you as the Real Estate agent will obtain in commission, at a minimum, 65% of ½ point (½ percent) for the loan transaction. For example if the loan amount (new loan or refinance) is \$400,000 – ½ point of the \$400,000 is \$2,000. Of the \$2,000, you will be compensated at 65% (65/35 split between agent and Broker), which is \$1,300 less the cost of Errors and Omission insurance for the transaction.

Also, if you have a client who wishes to buy / sell property that is outside of the Southern California area, you may be able to refer the client to another Real Estate office / agent and collect a referral commission (this is a case by case situation and you would need to talk to your Lyon Crest Realty Broker / Office Manager about this). Usually the referral is about 20% to 25% of the full commission.

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**Question:** Can I keep my full time job, while I pursue a Real Estate sales career on a part time basis with Lyon Crest Realty? Will Lyon Crest Realty pressure me to quit my full time job?

**Answer:** At Lyon Crest Realty, it is fully up to you whether or not you want to work Real Estate on a full time or part time basis. If you want to keep your current full time job while acting as a Real Estate agent with Lyon Crest Realty that is perfectly fine with us – This is your choice to make (we don't make this choice for you). Lyon Crest Realty will not pressure you in putting more time into Real Estate if that is not your desire and realize that you may have other things (care for children / parents, other work duties, travel, illness, etc.) going on in your life at different times that may prevent you from putting as much





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time into Real Estate as you would like. We treat you like an adult and a professional, leaving it up to you to decide how many hours you wish to put into the Real Estate profession (realizing of course that the hours you spend in Real Estate is going to be reflective of the amount of money you earn in Real Estate commissions).

Plus, with the Internet access to property listings, email, websites, regular mail, high speed web access, cell phones, virtual fax machines, computers, online contract submission, laptops, digital cameras, palm pilots, etc., the line previously drawn separating the distance between being a full time Real Estate agent vs. being a part time Real Estate agent is starting to blur considerably as technology is able to circumvent a lot of the issues that use to make life as a part time Real Estate agent much more difficult to pull off – So take advantage of today's technology as it makes running a Real Estate career and office much easier for all concerned parties.

But at the same time everyone has to be realistic, and if after about a year and a half or two years with Lyon Crest Realty, you still have not conducted any transactions, then of course we may be talking to you about your status and commitment to Real Estate.

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**Question:** How many offices does Lyon Crest Realty have? Do all your Real Estate agents live near the Lyon Crest Realty office? Does Lyon Crest Realty only sell properties or conduct Real Estate activity in cities that are close by to the Lyon Crest Realty office?

**Answer:** Lyon Crest Realty Group, Inc. only has one office and it is located at:

Lyon Crest Realty Group, Inc.  
2549 Huntington Drive, Unit 102  
San Marino, CA 91108  
(626) 683-8800 - Phone  
(626) 683-8811 - Fax  
[REALTOR@LYONCREST.COM](mailto:REALTOR@LYONCREST.COM) - Email  
[WWW.LYONCREST.COM](http://WWW.LYONCREST.COM) - Website  
[WWW.LYONCREST.COM/CAREERS](http://WWW.LYONCREST.COM/CAREERS) - For more Lyon Crest Realty career information

By taking advantage of today's technology (as mentioned in the above paragraph and throughout this document), the need for having multiple Real Estate offices is much lessened and would only cause Lyon Crest Realty to pay lower commission rates while

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possibly having to start charging fees (desk, copier, floor, training) and limiting our reimbursement programs to Lyon Crest Real Estate agents.

Lyon Crest Real Estate agents live all over Southern California. Some of our agents live as far as 45 minutes away from our office. With today's technology, where one lives when conducting Real Estate services is starting to matter less and less each day.

Lyon Crest Real Estate agents perform work and conduct Real Estate transactions all over Southern California. With Lyon Crest Realty, you are not confined by where our office is located or where you physically reside. Lyon Crest Realty can help your clients with their Real Estate needs (buy or sell) in Los Angeles, Orange, San Bernardino, and Riverside counties.

Again, with today's technology, the physical location of the Lyon Crest Realty office in relation to where the Real Estate agent lives and where the property in question is located is not as big of an issue anymore.

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**Question:** Does Lyon Crest Realty impose any sales quotas on its Real Estate agents?

**Answer:** Lyon Crest Realty has no sales quotas for its Real Estate agents, but of course realize that if you don't put anything (time, money, etc.) into your real estate career, you won't get anything (commissions, Real Estate knowledge, etc.) out of it.

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**Question:** Does Lyon Crest Realty hold weekday meetings? What is the Lyon Crest Realty corporate environment like? How will I be treated as a Lyon Crest Realty Real Estate agent? If I only work as a part time Real Estate agent in your office, will I be treated like a second class citizen?

**Answer:** Lyon Crest Realty does not conduct weekday meetings or require office floor time, thus you do not need to be worried about missing company meetings. The vast majority of company information is distributed by email to all Lyon Crest Realty agents.

When you come into the Lyon Crest Realty office, you could almost mistake it for a dental office or law office because of the lack of massive Real Estate literature, fanfare, and ruckus that is normally found in traditional Real Estate offices. Lyon Crest Realty thinks



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that it is better for its Real Estate agents to bring their clients into a soothing office vs. one that is inundated with Real Estate pressure.

Since most Lyon Crest Real Estate agent dealings (training, conversations, messages) are on a one on one basis with the Lyon Crest Realty Broker / Office Manager, there is less worry about backstabbing or wondering if other agents are looking over your shoulder to try to steal your clients. When you see another Lyon Crest Real Estate agent in the office, since either of you will not know about the quantity of each other's transactions, there will not any showboating or boastful scenarios due to this fact alone.

We very rarely hold office meetings. We do not line up all our Real Estate agents like in a cattle call and ask them to explain their current Real Estate situation in front of fellow agents. We find it much more productive and efficient via email bulletins since all the agents can read the bulletins at their leisure or when they have the available time.

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**Question:** What does "Lyon Crest" mean and how did you come up with this name?

**Answer:** If you look up the word "Crest" in the dictionary (aside from it being a top brand of toothpaste) or thesaurus, synonyms for this word include - top, peak, summit, crown, pinnacle, apex. All of these synonyms are rather positive and convey favorable connotations.

"Lyon" is a city in France with a vast history. Known at one time as Lugdunum it means "the hill of light" . Its origins began under the Romans (in the first century B.C.) when the city was declared capital of the three Gauls - bringing political, economic, military and religious development to the city. Near the end of the 15th century, Lyon became an important center of trade with its fairs and a well developed banking system. Today, many big European Financial institutions along with companies such as Lyon Crest Realty, have "Lyon" as part of the firm's name and heritage. (For ease of pronunciation, we pronounce "Lyon" like Lion even though we realize that "Lyon" is pronounced differently in Europe).

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**Question:** Will I be successful in Real Estate sales? Is Real Estate sales a difficult profession? How much money can I make?



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**Answer:** Congratulations on getting this far, as beginning a Real Estate career is a big step and shows your motivation in desiring to enter the Real Estate profession.

Fortunately or unfortunately, being in a sales profession requires you to be very people oriented, outgoing, talkative, and assertive. Lyon Crest Realty can provide you with the technical, contractual, and educational pieces needed to conduct a Real Estate transaction, but that is only half the story. Lyon Crest Realty can only meet you halfway, as you have to willing to meet Lyon Crest Realty halfway also. If you are a shy person who does not like working with people, then Real Estate sales may be a problem for you because we are not miracle workers and cannot change a shy person into an outgoing and assertive person overnight. If you have worked a desk job your whole life, and are now all of a sudden doing a sales type job, realize that this may be a complete change in employment philosophy for you. Working a desk job, you are going to get paid as long as you work the hours, but in sales, you only get paid based on what you sell and transact. If you don't sell, you don't get paid.

How successful you will be in Real Estate sales is indicative of you and reflective of the amount of work you will be putting into this new career opportunity. Just because you have become a Real Estate agent doesn't mean that the world is going to beat a path to your doorstep. You are going to have to market yourself and create a niche for yourself that can help to separate you from the rest of the pack.

Unlike other real estate firms and Brokers who upon talking with you will say without any hesitation that you will do absolutely great in this business and you will have tons of clients, all I can honestly say is that if you work hard and work smart, Real Estate sales can become very profitable for you. Please note that this industry (just like any other type of sales profession) requires a lot of perseverance and hard work.

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**Question:** As a new Real Estate agent, how do I get my first clients? How does Lyon Crest Realty handle advertising and marketing on behalf of its agents?

**Answer:** If you have friends or family looking to buy or sell properties, they will be your best bet for your first clients because these are people who know and trust you, thus they will want to help you in your Real Estate career and they will be more patient with you. You want to gain some initial Real Estate experience, and if you can gain this with your friends and family being your initial clients, it will work to your advantage because if you are an inexperienced Real Estate agent it will be a bit tougher to try to convince a stranger



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why they should allow you to represent them as their Real Estate agent. Even if you do find yourself in a situation where your first client is a complete stranger or referral (someone who you don't know), rest assured that at Lyon Crest Realty we will still back you 100% and assist you to the best of our abilities (allows you to assure your client that you are backed by experienced Brokers and that we will oversee all of your work). Remember that as your Real Estate broker and trainer, while acting as an owner, we are not going to not want to not help you because in order for Lyon Crest Realty to succeed, you have to succeed.

Lyon Crest has established many different avenues and resources to assist you in building, maintaining and growing your client database. All of these resources will be shared with Lyon Crest members as well as the knowledge and experience in how to utilize these resources.

Although Lyon Crest Realty will periodically advertise in Real Estate publications, newspapers, directories, online publications, etc., the vast majority of personal Lyon Crest Realty Real Estate agent advertising is handled and paid for by the agent himself or herself. The reasons for this philosophy are as follows:

- With current Broker/Agent commission splits at 65/35, at one point in time, Lyon Crest Realty was thinking about making the commissions 60/40 instead. With this difference in 5%, Lyon Crest Realty was thinking about using this 5% solely for more Lyon Crest Realty and agent advertising, but we chose not to go with this program and decided that commission splits should remain at 65/35. It was decided that Lyon Crest Real Estate agents at 65% commission rates can decide how much (if any) money they wish to spend on their own advertising and marketing. Some Lyon Crest Real Estate agents wish to do zero advertising and only want to work with clients that are friends/family or were referred to them – thus for these type of agents they keep the whole 65% to themselves. And if an agent wants to do advertising, they can do so from their own commission (from the 65%) and in accordance with the amount of money they wish to deploy. With the commission at 65%, the agent gets use the Lyon Crest Realty flexibility to decide their advertising needs.
- Since Lyon Crest Real Estate agents are from different ethnic groups and each has different type of affiliations in the community (church, PTA, Rotary Clubs, sports groups, community organizations, alumni associations, etc.), Lyon Crest Realty would have an extremely difficult time trying to centralize its advertising to accommodate all of its agents in a fair, significant, and meaningful manner. For instance, if Lyon Crest asked every agent in the office to contribute \$500 toward a major newspaper advertisement, it is difficult to assess whether or not each agent's \$500 will come back to them in a meaningful way? On



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the other hand, if the Lyon Crest Realty agent on their own spent their own \$500 and placed ads in their respective magazines or did personal mailings, they themselves would be able to determine and gauge how meaningful the \$500 was spent and if it helped them secure clients.

- Lyon Crest Realty pays a 65% commission rate (instead of 60%) to its agents so they can best decide how they wish to conduct their advertising budget. Realize that there is no such thing as a free lunch and the agent and not the Broker are for the most part ultimately paying for any Real Estate advertising seen.

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**Question:** How do I market myself as a Real Estate agent? What can Lyon Crest Realty do to help market me as a Real Estate agent.

**Answer:** As a new Real Estate agent, Lyon Crest Realty will try to work with you in trying to create your own niche in Real Estate. Below are some Lyon Crest Realty agents and how they market themselves to secure prospective Real Estate clients:

- One Lyon Crest Realty agent also works as a teacher at a public school. Bank of America® offers special zero down and three percent down loan programs specifically for teachers with very favorable terms – This agent is using this program to help get teachers as clients. Also, this agent has a big group of friends and family. Lyon Crest Realty has sample letters to send to friends and family to let them all know that you are a new Real Estate agent and that Lyon Crest can help them with their real estate needs. This agent used these letters as a template, changed the letters to fit the particular circumstance, and now mails out these letters every 3 months. As a result of these mailings, this agent is able to secure clients. This agent also has kids in little league, belongs to the PTA, goes to church, etc., - thus at these events she is constantly passing out Real Estate business cards.

- Another agent owns a construction company. When a property is sold, there are usually items that must be installed (smoke detectors, water heater strapping) and there are items that often times requires some attention (stuck windows, broken window, holes in the wall, misaligned doors, rubbish that needs to be removed, etc.). With this being the case, this agent will offer a list of services that will be performed for free if the property listing will go to this agent.



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- Another agent is a real social person and has many friends / family. Friends and family have other friends, and this agent makes sure that everyone has this agent's business cards. In addition, this agent has a lot of friends who own businesses (dry cleaners, restaurants, hair salon, etc.) and now these businesses display this agent's business cards, thus these businesses help to promote this agent.

The bottom line is that you are your own brand when it comes to being a Real Estate agent. You can do all the marketing you want, but if you do a bad job as a Real Estate agent, your clients will not recommend you to anyone. While if you do a good job, you will get recommended to others and get referrals. Whether you are at Real Estate firm XYZ or Lyon Crest Realty, your clients (if you do them right) are going to follow you around regardless of what firm you are currently at or will be in the future. Just like, if I think the person who fixes my car or cuts my hair does a very good and fair job, I am going to follow them around regardless of what firm they go to in the future.

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**Question:** How much does it cost to be a Real Estate agent with Lyon Crest Realty? What are the fees charged? Who do these fees get paid to? Do I have to pay these fees? Can I not pay these fees and still be involved with Lyon Crest Realty?

**Answer:** To become a Lyon Crest Realty Realtor® you will have to join the Pasadena Foothills Association of Realtors (PFAR – [www.pfar.org](http://www.pfar.org)) - the Association cost is prorated, so figure on the cost being about \$500 or less. We will reimburse this cost back to you after your first Lyon Crest Realty real estate transaction that is at the 65/35 level. If you want to join Lyon Crest Realty, you will have to join PFAR (in accordance with the bylaws of PFAR, all agents of the Designated member must also be members of PFAR).

FYI – Only after you join the Pasadena Foothills Association of Realtors (PFAR) or any other associated Association, can you call yourself a Realtor® - the term Realtor® is licensed and trademarked. Just because you passed the California DRE Real Estate exam and have paid the licensing fees does not entitle you to call yourself a Realtor®, but once you have joined the Association, you can call yourself a Realtor®.

In addition you will have to pay approximately \$120+ quarterly fee for access to the MLS system and Supra Key Update (You need to pay this quarterly fee in order to have access to see what homes are for sale and to gain access into lockboxes). If you don't have this MLS access, you will not be able to search for listings to see what properties are available for sale.

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You will need this electronic Supra Card Key in order to open a Supra Lockbox. The approximate cost for this key is \$125+. There are other versions and variations of this electronic key that you may be able to purchase and use in conjunction with a Palm Pilot®, but it will of course be more expensive. (FYI – A lockbox is usually found on a house that is for sale. Contained in the lockbox are the keys to the property for use by other agents so that they can gain access to show the property to clients). If you don't have this Supra electronic key, you will not be able to unlock lockboxes to obtain the house keys of a property on sale.

If you have a house for sale on behalf of a client, you will want to buy a lockbox (costs about \$100), but at least it will mean you have a listing. You will only buy a lockbox if you have a current listing. You would lock the house keys of the property for sale in a lockbox.

Also if you have a property for sale, you will want to have a Lyon Crest for sale sign posted on the property. Lyon Crest Realty will loan the sign to you, but you will have to pay for the sign to get installed on the property. The costs for the sign and sign post installation is usually \$20+, but if your property is outside of the San Gabriel Valley, it will cost more. You would only pay to have a sign and signpost installed if you have a property for sale.

Lyon Crest business cards run about \$41 for five hundred of them. We will reimburse half the cost of the business cards back to you after your first Lyon Crest Realty real estate transaction that is at the 65/35 level.

On every transaction (buy or sell), an Errors and Omission insurance charge (\$150) will be taken out of the agent's commission to pay for Errors and Omission (E&O) insurance. You only pay for this insurance on a per transaction basis. The Lyon Crest agent will pay for the agent portion, while Lyon Crest Realty will pay for the Broker portion of the E&O insurance cost. We along with our agents do not plan on getting sued, but insurance must be purchased. I do not plan on getting into a car accident, but I do buy car insurance. Many companies charge an annual premium anywhere from \$1,000 to \$2,000, but Lyon Crest absorbs this cost so that the agent can minimize their overall expenses as well as their out-of-pocket expenses.

If the Real Estate transaction involves a referral or mortgage brokering, a \$75 fee will be taken out of the agent's commission to pay for Errors and Omission (E&O) insurance.

Lyon Crest Realty does not charge for copier fees, floor fees, administration fees, or training classes.

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All of the costs and fees specified above (except the E&O insurance deduction, which is a reimbursement to Lyon Crest and not a fee) do not go to Lyon Crest Realty. The fees you pay to PFAR are between you and PFAR. All of the other costs are related to products and services that are for you (MLS access, Supra Key, Lockboxes, Business Cards, etc.). If you didn't have to join PFAR, we wouldn't ask you to join PFAR. If you don't join PFAR you won't be given any online account access to property listings and / or lockbox keys – without these items I have no idea how a person act as a Real Estate agent. On top of all this, if you didn't have to join PFAR, we definitely wouldn't ask you to join PFAR because we end up reimbursing you back this cost after your first Lyon Crest Realty Real Estate transaction at the 65/35 level. You have one year from the time you join PFAR to be eligible for your PFAR reimbursement from Lyon Crest Realty. If you do not have a qualifying Real Estate transaction within the first year after joining PFAR, you will forfeit your reimbursement for this PFAR fee from Lyon Crest Realty.

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**Question:** Does Lyon Crest Realty offer any special programs or benefits to their Real Estate agents? Does Lyon Crest Realty offer any medical insurance coverage to its Real Estate agents?

**Answer:** Lyon Crest Realty offers a reimbursement program (PFAR fees within the first year, 1/2 cost of business cards) as detailed above.

Lyon Crest Realty does not offer any medical, dental, eye, or life insurance to any of its Real Estate agents. On the other hand, because you will be joining PFAR, you have the ability to buy insurance at group rates through the PFAR affiliation.

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**Question:** What again will be my initial commission split when I join Lyon Crest Realty if I am a brand new agent with little to no real estate experience? How do I move up on the commission scale?

**Answer:** A Lyon Crest Realty agent starts off at a 65/35 commission split (65% of the commission goes to the agent side and 35% of the commission goes to Lyon Crest Realty – Broker side). A Lyon Crest Realty agent can move up to a 70/30 commission split when they have passed \$30,000 in total agent commissions for the prior 12 months or less. You



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can move up to a 75/25 commission split when you have passed \$60,000 in total agent commissions for the prior 12 months or less.

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**Question:** If I as the Realtor® want to buy or sell my own personal property or income property, can I get a better commission split from Lyon Crest Realty.

**Answer:** If your regular commission split with Lyon Crest Realty is at 65/35, we will bump this up by an extra 5% thus you will be at 70/30 on transactions where you wish to buy or sell your own property.

If you are acting as the buyer and also your own Realtor®, you can represent yourself. Your Lyon Crest Realty Broker / Office Manager will be able to go over the full details and provisions.

If you are acting as the seller, you will be able to retain the 70/30 commission split (as in the above scenario), but another agent or Broker in the offer will need to act as your listing agent because our Errors and Omission insurance policy will not provide coverage to those individuals who act as both the seller and listing agent for the same property (as it is a conflict of interest and the insurance company is fearful that an individual acting as the seller and listing agent may show bias in such a particular real estate transaction). Your Lyon Crest Realty Broker / Office Manager will be able to go over the full details and provisions.

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**Question:** As a Lyon Crest Real Estate agent, what do I get?

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**Answer:** As a new Lyon Crest Real Estate agent, we will assign you the following once you pay your PFAR fees:

- Office Mailbox (Your letters, incoming faxes, messenger mail, etc. will be placed in this mailbox. You can call the receptionist and ask if there is anything in your mailbox, thus you will know if you have anything to pick up).

- Office Keys (The keys will unlock the front and back doors to the office).



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- Individual ADT alarm code (With this ADT alarm code, you can go in and out of the office at any time, as you will have 24/7 access to the office).
- Lyon Crest CD Rom (Contained will be Lyon Crest training instructions, fax cover pages, letterhead, software for Real Estate contracts, sample cover letters, transactions checklists, How To booklet as it relates to conducting Real Estate transactions, etc).
- Lyon Crest business cards (You get to decide what contact information goes on your card).
- Lyon Crest email address (You get to decide what you want in your email address to precede @LYONCREST.COM. We will forward to your current email address any email that is sent to you at XXX@LYONCREST.COM, where XXX represents your name).
- With your PFAR fees paid, you will be entitled to obtain online access to the MLS property listings, access to lockbox keys, access to property profiles, real estate software for writing contracts, group insurance rates, etc.

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**Question:** If I want to join Lyon Crest as a Real Estate agent, what are the next steps? What do I need to do?

**Answer:** In order to practice Real Estate in the state of California, you must have in your possession a valid Real Estate license and have it filed with Lyon Crest Realty (where your Real Estate license will be kept in our office). If you do not have a Real Estate license in your possession yet, you will need to send in your Real Estate license application along with your money and fingerprints as soon as possible, so that you can get your Real Estate license in a timely manner. (FYI - There is an area on your Real Estate license application that asks what firm you will be employed by - you can have this portion completed by Lyon Crest Realty prior to you sending in your application, OR you can send in the application first and leave the firm information blank in which case once you do get your Real Estate license in the mail, the Real Estate firm that you join can then file your firm information with the DRE).

Time is of the essence with your Real Estate license application because I have seen where it will take anywhere from one to three months until you get your license in your hand. Unless Lyon Crest Realty has in its possession your physical Real Estate license, you will not be able to practice Real Estate. **We will absolutely not train, work with, or**



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support any individuals who do not have a valid and current Real Estate license issued by the California Department of Real Estate (DRE).

If you have your Real Estate license in hand and wish to join Lyon Crest Realty, you will need to deposit and file your Real Estate License with Lyon Crest Realty and meet with us to fill out some paperwork (takes about half an hour). You will also need to bring in identification (Driver's License) with you. Then you will have to pay your associated Realtor Association fees at PFAR, as well as pay for your other items as discussed and described above.

As a soon to be Real Estate agent, things you should consider doing in advance includes but is not limited to:

- Letting your friends and family know that you will be a Real Estate agent real soon and that you would be highly appreciative of their business.
- Start compiling a list of addresses for friends, family, co-workers, associations, team members, acquaintances, etc. that you can start farming and sending your Real Estate flyers to.
- Possessing a newer PC or laptop that can handle running the latest software.
- Making sure that your computer has good word processing software.
- Having a good cell phone with good coverage and a cell phone plan with ample buckets of minutes (anytime, weekend, and night time minutes).
- Going with a broadband (cable modem / DSL) Internet connection for your home.
- Owning a good fax machine and printer.
- Learning to become more computer and Internet savvy.

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**Question:** After hearing and reading about Lyon Crest Realty, I want to join your firm now, but what if I am already committed to joining a different Real Estate firm (they signed my DRE form, I gave them a verbal commitment, they trained me to help me get my Real Estate license, etc.).

**Answer:** As it pertains to switching firms and moving to Lyon Crest Realty, as long as you have or can get possession of the Real Estate license and are willing to turn it over to Lyon Crest Realty, you can join Lyon Crest Realty (regardless of what other Real Estate firm's name is listed on the Real Estate license currently). Of course if you signed some type of a binding contract with a different firm where you have committed yourself to training costs, Errors and Omission insurance, advertising fees, etc., then you may have some financial obligations associated with switching Real Estate firms.



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**Question:** I live in city XYZ while Lyon Crest Realty is located in San Marino? Should I be worried about the driving distance?

**Answer:** Regardless of where you live, you should not be worried about the driving distance to Lyon Crest Realty because:

- Property listings are accessible using a proprietary Realtor® Internet web site. As a Lyon Crest Real Estate agent and as long as you have an Internet connection, you can be at home or anywhere looking up and emailing property listings to help your clients in their property searches – There is no need to go to the Lyon Crest office to look up property listings.
- All Real Estate contracts and forms are online and available on computer. As a Real Estate agent with Lyon Crest Realty, you can write contracts using your computer and then email it to your Lyon Crest Office Manager for approval.
- If mail or faxes come to the Lyon Crest Realty office for you, Lyon Crest Realty can fax or mail it to you directly.
- Lyon Crest Realty offers its Real Estate agents a virtual fax machine# where faxes can be transformed into emails.
- Lyon Crest Realty agents are given a company CD-Rom with Real Estate examples, templates, and instructional info.
- Lyon Crest Realty offers strong email and cell phone support to all its Real Estate agents.
- Add your own cell phone and you become your own virtual Real Estate office.

◇ **Bottom Line** - It all comes down to the type of Real Estate firm you want to work for. If the distance of the Lyon Crest Realty office is an issue, ask yourself if you would rather work with a firm that was 5 minutes away from your house but you did not like the firm and its people OR would you rather work with a firm that was maybe a little bit further away but you liked the firm and agreed with its philosophies, while at the same time was becoming more technologically savvy.

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**Question:** Can you outline the main reasons why I should join Lyon Crest Realty as a Real Estate Agent?

**Answer:**

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- Lyon Crest Realty offers competitive commission splits.
- Lyon Crest Real Estate Training is offered during day and night time hours, and is free of charge on an ongoing basis VERSUS other firms that may just train you once and then you are left on your own.
- Lyon Crest Realty offers a reimbursement program for your Realtor® Association dues.
- Lyon Crest Realty does not charge for office, desk, floor, copier, administration, or phone fees.
- Lyon Crest Realty agents are given a company CD-Rom with Real Estate examples, templates, and instructional info.
- Lyon Crest Realty offers strong email and cell phone support to all its Real Estate agents.
- Lyon Crest Realty's Management group is comprised of 2 University of Southern California (USC) MBA degree holders.

◇ ***Bottom Line*** - It all comes down to the type of Real Estate firm you want to be associated with. You need to make the decision that is best for you and your current situation. Talk to other Real Estate firms and then compare them to Lyon Crest Realty. Figure out if what Lyon Crest offers fits your criteria when selecting a Real Estate firm to join. To use an analogy and to put it another way - If you are looking to buy a sports car but Lyon Crest is selling only SUVs, then there is nothing that Lyon Crest can do for you, but if you are also looking for a SUV, then we can talk further to discuss what features on the SUV you need and how we can best equip the SUV to fit your current situation.

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Thank You for your time and consideration. If you have any questions or comments, please contact Lyon Crest Realty.

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[WWW.LYONCREST.COM/CAREERS](http://WWW.LYONCREST.COM/CAREERS) - For more Lyon Crest Realty career information

[WWW.MAPQUEST.COM](http://WWW.MAPQUEST.COM)® - To obtain driving directions

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Thank You.